

Message Text

CONFIDENTIAL

PAGE 01 STATE 108445
ORIGIN EB-08

INFO OCT-01 ISO-00 /009 R

66011
DRFTED BY:EB/OFPPD:JABOYLE
EB/OFPPD:JABOYLE
-----043382 081629Z /47

R 081610Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA

C O N F I D E N T I A L STATE 108445

FOLLOWING REPEAT STATE 108445 ACTION LONDON DATED APR 28:

QTE:C O N F I D E N T I A L STATE 108445

DELIVER USDEL, INTL WHEAT NEGNS, 8:30 A.M., APRIL 28

E.O. 11652: GDS

TAGS:EAGR

SUBJECT: INTERNATIONAL GRAINS NEGOTIATIONS

1. AS APPROPRIATE, US DELEGATION IS AUTHORIZED TO STATE IN MEETING WITH OTHER EXPORTERS, EC AND JAPAN, THAT, AS PART OF AN OVERALL AGRICULTURAL PACKAGE, THE US IS PREPARED TO NEGOTIATE AN INTERNATIONAL AGREEMENT FOR COARSE GRAINS. WE ENTER SUCH NEGOTIATIONS WITHOUT PRE-COMMITMENT AS TO THEIR OUTCOME, BUT FOR OUR PART, WE ARE PREPARED TO NEGOTIATE AS CONCRETE AND MEANINGFUL AN AGREEMENT AS POSSIBLE, CONSISTENT WITH OUR INTERESTS AND THOSE OF EXPORTING AND IMPORTING COUNTRIES.

2. YOU SHOULD ALSO INDICATE AS APPROPRIATE THAT FOR US
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PAGE 02 STATE 108445

AN OVERALL AGRICULTURAL PACKAGE MUST INCLUDE AN AGREEMENT ON WHEAT, AGREED DISCIPLINES ON SUBSIDIES, AND TRADE IMPROVEMENTS FOR SPECIFIC KEY COMMODITIES UNDER THE REQUESTS/OFFERS PROCEDURE.

3. IF YOU BELIEVE IT NECESSARY, YOU CAN STATE THAT THE

STRUCTURE AND PROVISIONS OF AN AGREEMENT ON COARSE GRAINS REQUIRE MUCH MORE WORK AND ARE OBVIOUSLY SUBJECT TO NEGOTIATIONS. FYI. WE ARE PREPARED TO CONSIDER A CONSULTATIVE TYPE AGREEMENT BASED ON NOTIONAL MAXIMUM

AND MINIMUM PRICES, WITH CONSULTATIONS TRIGGERED AT SPECIFIED PRICE LEVELS, AND A CATALOG OF OPTIONAL STABILIZATION MEASURES (E.G., STOCKING, PRODUCTION CONTROLS, UTILIZATION ADJUSTMENTS, ETC.) TO BE EXAMINED IN SUCH CONSULTATIONS FOR POSSIBLE IMPLEMENTATION BY PARTICIPATING COUNTRIES AS THE PRICE MOVED TOWARD THE NATIONAL PRICE LEVELS. PARTICIPATING COUNTRIES WOULD BE REQUIRED TO CONSULT BEFORE INITIATING CHANGES IN DOMESTIC POLICIES WHICH COULD PREJUDICE THE OBJECTIVES OF THE INTERNATIONAL AGREEMENT OR ADVERSELY IMPACT UPON THE TRADE INTERESTS OF OTHER PARTICIPATING COUNTRIES. OUR ACCEPTANCE OF SUCH AN APPROACH WOULD BE FACILITATED BY CONFIDENCE THAT EC WAS IN FACT PREPARED TO TAKE MEASURES TO INCREASE UTILIZATION AT LOWER END OF PRICE BRACKET.

4. BEFORE PROCEEDING FURTHER WITH SUCH APPROACH, WE WOULD WANT TO TEST ITS RECEPTIVITY TO OTHER COUNTRIES AS WELL AS TO EC. WE DO NOT WANT TO BE IN POSITION, ON ONE HAND, TO HAVE EC ASSUME THEY CAN BARGAIN US UP FROM THIS APPROACH. ON OTHER HAND, WE DO NOT WISH TO MOVE TOO FAR AHEAD OF OTHER EXPORTERS AND MAJOR
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PAGE 03 STATE 108445

IMPORTERS. YOU SHOULD THEREFORE TAKE SOUNDINGS WITH OTHER REPRESENTATIVES, INDICATING THAT WE WISH TO TAKE THEIR VIEWS INTO ACCOUNT IN OUR CONSIDERATION OF THE MATTER. REPORT VIEWS SOONEST. VANCE UNQTE VANCE

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PAGE 01 STATE 108445

ORIGIN EA-12

INFO OCT-01 ISO-00 EB-08 /021 R

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DRAFTED BY EA/J:HACOCHRAN

APPROVED BY EA/J:NPLATT

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-----065701 110924Z /23

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 108445

REF TOKYO 08031

FOL RPT STATE 108445 SENT ACTION OTTAWA DTD 08 MAY 78

QUOTE: C O N F I D E N T I A L STATE 108445

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2. YOU SHOULD ALSO INDICATE AS APPROPRIATE THAT FOR US AN OVERALL AGRICULTURAL PACKAGE MUST INCLUDE AN AGREEMENT ON WHEAT, AGREED DISCIPLINES ON SUBSIDIES, AND TRADE IMPROVEMENTS FOR SPECIFIC KEY COMMODITIES UNDER THE REQUESTS/OFFERS PROCEDURE.

3. IF YOU BELIEVE IT NECESSARY, YOU CAN STATE THAT THE STRUCTURE AND PROVISIONS OF AN AGREEMENT ON COARSE GRAINS REQUIRE MUCH MORE WORK AND ARE OBVIOUSLY SUBJECT TO NEGOTIATIONS. FYI. WE ARE PREPARED TO CONSIDER A

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AND MINIMUM PRICES, WITH CONSULTATIONS TRIGGERED AT SPECIFIED PRICE LEVELS, AND A CATALOG OF OPTIONAL STABILIZATION MEASURES (E.G., STOCKING, PRODUCTION CONTROLS, UTILIZATION ADJUSTMENTS, ETC.) TO BE EXAMINED IN SUCH CONSULTATIONS FOR POSSIBLE IMPLEMENTATION BY PARTICIPATING COUNTRIES AS THE PRICE MOVED TOWARD THE NATIONAL PRICE LEVELS. PARTICIPATING COUNTRIES WOULD BE REQUIRED TO CONSULT BEFORE INITIATING CHANGES IN DOMESTIC POLICIES WHICH COULD PREJUDICE THE OBJECTIVES OF THE INTERNATIONAL AGREEMENT OR ADVERSELY IMPACT UPON THE TRADE INTERESTS OF OTHER PARTICIPATING COUNTRIES. OUR ACCEPTANCE OF SUCH AN APPROACH WOULD BE FACILITATED BY CONFIDENCE THAT EC WAS IN FACT PREPARED TO TAKE MEASURES TO INCREASE UTILIZATION AT LOWER END OF PRICE BRACKET.

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

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